

TENNESSEE REGISTRY OF ELECTION FINANCE

**Contribution Audit of
Judge Clarence Pridemore Jr.'s
2021 Year-End Supplemental Campaign Finance Disclosure**

Auditors:

Jay Moeck, CPA, CFE
Director of Audit

STATE OF TENNESSEE



BUREAU OF ETHICS AND CAMPAIGN FINANCE REGISTRY OF ELECTION FINANCE

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January 22, 2026
Revised release March 31, 2026

Members of the Registry of Election Finance
WRS Tennessee Tower, 2nd Floor
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Registry Members,

The agreed-upon procedures for the un-itemized contribution audit of Judge Clarence Pridemore Jr.'s 2021 Year-End Supplemental Campaign Finance Disclosure Statement for Chancery Court, 6-2, are transmitted herewith. This audit was conducted in accordance with the requirements of T.C.A. § 2-10-212.

The audit procedures developed are intended to assist the Registry of Election Finance in its responsibilities to monitor and enforce Tennessee's Campaign Finance Disclosure Laws and Campaign Contribution Limit Laws. The candidate is responsible for complying with campaign finance laws and ensuring the accuracy of campaign finance disclosures. The adequacy of these procedures is solely the responsibility of the Bureau of Ethics and Campaign Finance's internal audit group. Consequently, we make no representation regarding the adequacy of the agreed-upon procedures described in the report for any purpose other than assisting the Registry.

This report is for the information and use of the Members of the Tennessee Registry of Election Finance, as outlined; it is not intended for, and should not be used by, anyone other than the Registry without understanding the objectives, purposes, and underlying assumptions. However, this report is a public record.

Sincerely,

Jay Moeck, CPA, CFE
Director of Audit

STATE OF TENNESSEE
REGISTRY OF ELECTION FINANCE

Audit Highlights
Judge Clarence Pridemore Jr.
2021 Year-End Supplemental Contribution Audit

AUDIT OBJECTIVES

The objectives of the audit were to determine Judge Clarence Pridemore Jr.'s compliance with certain provisions of campaign finance disclosure laws and regulations, compliance with certain provisions of campaign contribution limit laws and regulations, accuracy and completeness of the un-itemized contribution disclosures on the 2021 Year-End Supplemental Campaign Finance Disclosure Statement, and recommend appropriate actions to correct any deficiencies.

FINDING(S)

- 1. Judge Clarence Pridemore Jr. was non-compliant with T.C.A. §2-10-105(f) by failing to maintain contributor data for \$36,343.24 in contributions reported on the 2021 Year-End Supplemental Campaign Finance Disclosure Statement. Due to the lack of records, Judge Clarence Pridemore Jr. cannot support compliance with the campaign finance disclosure statutes or campaign limits laws for these contributions.**
- 2. Judge Clarence Pridemore Jr. was non-compliant with portions of T.C.A. §§2-10-105 and 2-10-107 by failing to report \$425 in campaign contributions received during the 2021 Year-End Supplemental campaign finance disclosure statement reporting period.**
- 3. Judge Clarence Pridemore Jr. demonstrated effective non-compliance with T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$15,950 in campaign contributions from contributors who contributed in excess of \$100 during the 2021 Year-End Supplemental reporting period before the audit notice.**

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION	
Audit Authority	1
Audit Purpose	1
Audit Scope	1
CAMPAIGN OVERVIEW	
Campaign Organization	2
Overview of Financial Activities	2
CHARTS	
2021 Year-End Campaign Contributions	3
2022 Election Contributions by Source	3
OBJECTIVES, METHODOLOGIES, CONCLUSIONS	
Contributions and Receipts	4
Findings	6
Recommendation to Candidate	9
Recommendation to Registry	11
RESOLUTIONS	
Candidate's Corrective Actions	13
Registry of Election Finance Actions	13

INTRODUCTION

AUDIT AUTHORITY

Tennessee Code Annotated (T.C.A.) §§2-10-206 and 2-10-212 authorize the Registry of Election Finance (Registry) to conduct audits of campaign finance disclosure statements filed with the Registry. The audit was initiated based on T.C.A. §2-10-212(i), which requires the Registry to audit a candidate's campaign finance disclosure statement if the un-itemized contributions exceed \$5,000 and account for more than 30% of total contributions during a reporting period.

AUDIT PURPOSE

The Registry's contribution audits help and encourage candidates to comply with campaign disclosure laws. The audit process assists the Registry in providing timely and accurate campaign information to government officials and the public. The Registry's audits provide a tool for the Registry to evaluate the effectiveness of the campaign finance disclosure process. Additionally, the audits support the Registry in enforcing campaign finance limit laws and campaign finance disclosure laws. Finally, the audit reports are prepared to assist the candidate and the State of Tennessee with promoting governmental accountability and integrity.

AUDIT SCOPE

Tennessee's campaign finance disclosure law requires candidates to make biannual finance disclosures as of the date of the first contribution or first expenditure, whichever occurs earlier. The biannual report periods are from January 16 to June 30 and from July 1 to January 15 each year. During an election year, the disclosures expand to quarterly, pre-primary, and pre-general reports. This audit relates only to disclosure reports that meet the requirements listed in T.C.A. §2-10-212(i). Therefore, the audit only relates to Judge Clarence Pridemore Jr.'s 2021 Year-End Supplemental disclosure.

CAMPAIGN OVERVIEW

CAMPAIGN ORGANIZATION

Judge Clarence Pridemore Jr. was a candidate in the May 3, 2022, primary election for Chancery Court, 6-2. Judge Clarence Pridemore Jr. filed an Appointment of Political Treasurer Statement with the Registry on May 17, 2021, appointing Melinda Lynch as political treasurer. This was amended on July 12, 2021, naming Janice Mallo as political treasurer.

The candidate's first finance disclosure for the 2022 campaign was the 2021 Mid-Year Supplemental Disclosure Statement filed on July 15, 2021. The candidate's latest finance disclosure statement for the 2022 election was the 2022 Second Quarter amended on July 21, 2022. The 2022 Second Quarter report indicated no cash on hand, no outstanding obligations, and no outstanding loans. The candidate completed the 2022 election campaign filing requirements, and the filing account was closed.

OVERVIEW OF FINANCIAL ACTIVITIES

The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following disclosure statements: 2021 Mid-Year, 2021 Year-End, 2022 First Quarter, 2022 Pre-Primary, and 2022 Second Quarter disclosures. As noted in the audit scope, we only audited un-itemized contributions from disclosures for the 2021 Year-End disclosures. The amounts displayed are for informational purposes only.

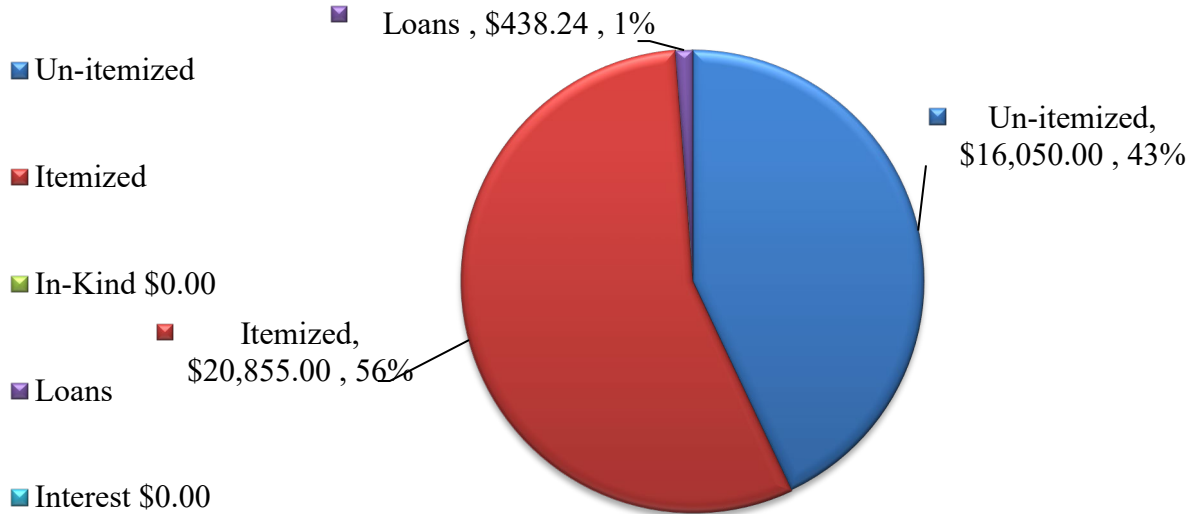
<u>Summary of Financial Activity</u>		
<u>(Un-audited Amounts)</u>		
Cash on hand on January 16, 2021		\$0.00
Receipts		
Un-itemized	\$16,050.00	
Itemized	38,455.00	
Interest	0.00	
Loans receipted	7,047.10	
Total receipts		<u>\$61,552.10</u>
Disbursements		
Un-itemized	197.31	
Itemized	58,043.84	
Loan principal payments	3,310.95	
Total disbursements		<u>\$61,552.10</u>
Cash on hand on June 30, 2022		<u>\$0.00</u>
Loans outstanding on June 30, 2022		\$0.00 ¹
Obligations June 5, 2017		\$0.00
Total in-kind contributions received		\$0.00

¹ The candidate wrote off all remaining loans when the 2022 amended second quarter was filed

CHARTS

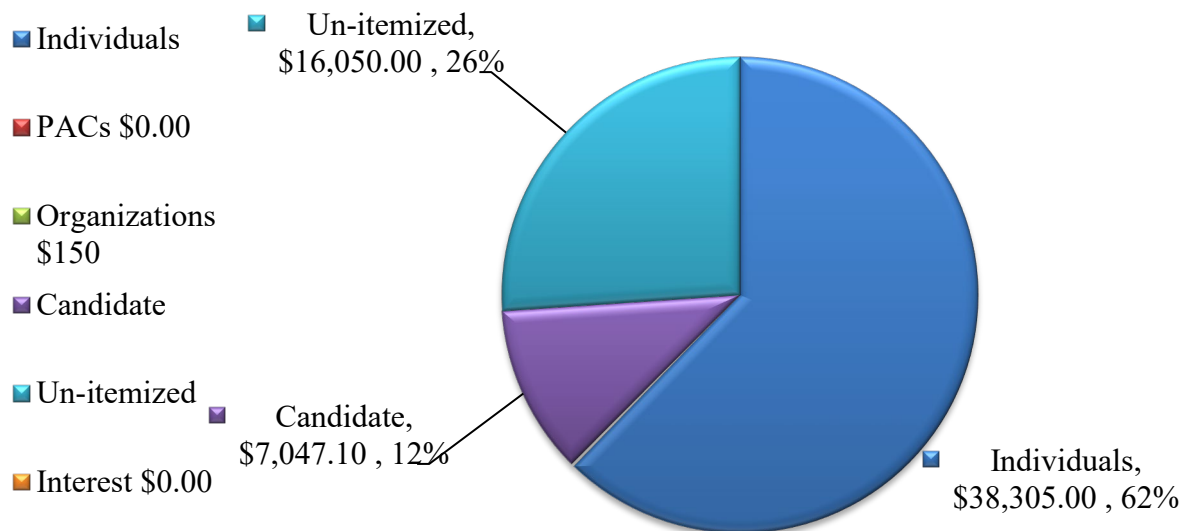
2021 YEAR-END SUPPLEMENTAL CAMPAIGN CONTRIBUTIONS

The following chart shows the contributions reported by the candidate in the 2021 Year-End Supplemental disclosure.



2022 ELECTION CONTRIBUTIONS BY SOURCE

The following chart shows the contributions reported by the candidate for the 2022 election campaign. Organizations in this chart represent non-profit organizations, non-PAC campaign organizations, or businesses.



OBJECTIVES, METHODOLOGIES, CONCLUSIONS

CONTRIBUTIONS AND RECEIPTS

Audit Objectives:

The objectives of the audit of un-itemized contributions were to determine whether:

- campaign contributions from individuals and Political Action Committees (PAC) were within limits;
- all contributions were from non-prohibited sources;
- all contributions received were reported, reported in the proper period, reported in compliance with T.C.A. §§2-10-105 and 2-10-107, and reported in compliance with the Registry's rules; and
- All contributions were supported by bank statements and deposit slips.

Audit Methodology and Audit Conclusions

Audit Methodology: The Registry obtained Judge Clarence Pridemore Jr.'s 2021 Year-End Supplemental Campaign Finance Disclosure Statement submitted on February 10, 2022, to verify that the un-itemized contributions were greater than \$5,000.00 and 30% of the total contributions reported.

Audit Conclusion: Judge Clarence Pridemore Jr.'s 2021 Year-End Supplemental Campaign Finance Disclosure Statement submitted on February 10, 2022, showed total contributions of \$37,343.24, of which \$16,050 were reported as un-itemized. Thus, the disclosure was such that un-itemized contributions were over 42.9% and over \$5,000.

Audit Methodology: The Director of Audit sent notice of the audit on March 2, 2022, and requested that Judge Clarence Pridemore Jr. provide supporting documentation for the un-itemized contributions of \$16,050 reported on the 2021 Year-End Supplemental Campaign Finance Disclosure Statement submitted on February 10, 2022.

After receiving no records and the end of the busy 2022 election year, a second request was sent on April 14, 2023, again noting the audit was going to occur and the candidate needed to provide records. This notice also stated that the Director of Audit was aware that the candidate had amended the 2021 Year-End Supplemental Campaign Finance Disclosure Statement submitted on April 15, 2022. That amendment removed the \$16,050 in un-itemized contributions and itemized the equivalent amount. The notice indicated that such actions would not change the audit status or report, except in how the changes are noted in the audit report and their impact on any audit findings noted. This notice was also when the Director of Audit was made aware that the treasurer's email was no longer valid, as it appeared the treasurer was no longer with the firm to which the

email related. This was also noted to the candidate on April 14, 2023. Again, no records were provided; however, an additional contact for treasurer data was provided on August 22, 2023. As the auditor was preparing the non-compliance audit report indicating the lack of response by the candidate to the Members of the Registry of Election Finance, a third notice was sent on January 9, 2024, again requesting records. Of course, again, the email for the treasurer had the auto reply indicating they were no longer with the firm.

Finally, on January 9, 2024, the Director of Audit received a response, which is attached to the end of this report, with a multitude of reasons why records had yet to be provided. The Director of Audit sent back the candidate's responsibilities and recommendations, which also appear at the end of the report. Then, around January 22, 2024, and March 14, 2024, the auditor received additional contact information from the candidate and the firm. Again, the auditor indicates the records the candidate should provide, including noting what to do if the records were not maintained. Again, no records were provided.

The Director of Audit completed other assignments in the hope of getting items from the new contacts and returned to the Pridemore audit in July of 2025. While completing the test work pages in preparation for this audit report on July 11, 2025, the auditor sent an update notice to Registry's management, the candidate, and the treasurer concerning the non-compliance. The email included the current audit status, most of the prior notices as attachments, and again directions on records needed, and the recommendation to replace missing records and the need to respond ASAP.

On July 14, 2025, the Director of Audit received a phone response (not from the candidate) from the firm that previously employed the treasurer. The person who called was one of the firm's partners. I explained to the partner the issues outstanding and the responsibilities of the candidate. The partner confirmed the auditor's assumptions that the candidate did not contract with the firm, but the prior employee had volunteered to work for the candidate as treasurer. However, the partner indicated that the firm might have or be able to obtain some of the campaign data, but had no access to the campaign bank account. The firm agreed to attempt to provide what records were held by the firm. On the same day, the firm provided an email with the following data:

1. Bank Statements from BBT bank in the name of Committee to Elect Clarence Eddie Pridemore Jr. (front page only) from 6/30/2021 to 2/28/2022. The statements include the entire reporting period from 7/1/2021 to 1/15/2022.
2. One contributor's photocopied contribution check. The contribution was related to one reported itemized disclosure for Seth Oakes for \$1,000 written on 7/12/2021 and assumed deposited by counter deposit on 7/12/2021 for the same amount.
3. A 5-page listing of contributors with names, dates, amounts, addresses, and occupations. (The auditor notes the listing does not always have all the items listed, but names and amounts are always listed.) The list includes dates from October to December, but they are not in date order. Additionally, the list contains mainly names not found in the February 10, 2022, report. These are assumed to be un-itemized, although they were included in the itemized entries on the April 15, 2022, report. However, not all of them were included.

Audit Conclusion: The bank statements provided are sufficient to show the campaign received funds of \$37,210. The records and disclosures are also reconcilable to indicate the campaign received \$425 more during the period than what the campaign reported. Thus, the campaign was non-compliant with the statutes by failing to report \$425 as outlined in Finding 2.

Besides showing that the campaign received funds and deposited them, the records are only sufficient to show that of the \$37,343.24 disclosed, only \$1,000 came from the person reported and from that person's bank account. Thus, the candidate records are completely insufficient (effectively non-existent) to make any other assessment of the campaign's compliance with any statute, as the records cannot identify the contributor, the type of funds received, the amounts, or that the funds provided came from the contributor's entitled funds for the majority of contributions received. The records are also insufficient to indicate or reconcile that the funds deposited were related to the funds reported or the candidate's provided listing. As such, the candidate was non-compliant with the statutes to maintain records to support the disclosures made, as detailed in Finding 1. Included in the Finding is a reminder that the responsibility of compliance for campaign finance statutes and limits law resides with the candidate, and the candidate alone.

Notwithstanding the lack of records, the candidate's actions after the audit notice indicate likely non-compliance with the original disclosures that were the subject of the audit. Assuming the actions by the candidate after the audit notice accurately reflected campaign activity, the candidate failed to itemize \$15,950 in contributions received during the 2021 Year-End Supplemental, as reported on February 10, 2022, and before the audit notice, in non-compliance with statute as detailed in Finding 3.

FINDING(S)

- 1. Judge Clarence Pridemore Jr. was non-compliant with T.C.A. §2-10-105(f) by failing to maintain contributor data for \$36,343.24 in contributions reported on the 2021 Year-End Supplemental Campaign Finance Disclosure Statement. Due to the lack of records, Judge Clarence Pridemore Jr. cannot support compliance with the campaign finance disclosure statutes or campaign limits laws for these contributions.**

As noted above, the candidate records are completely insufficient (effectively non-existent) to make any other assessment of the campaign's compliance with any statute by the Director of Audit. The audit testing determined that the candidate failed to maintain or provide sufficient records to support the majority of \$37,343.24, as reported in the 2021 Year-End Supplemental Campaign Finance Disclosure Statement, which came from the entities the candidate reported. Nor were the dates or amounts related to those disclosures accurate. Nor can the candidate demonstrate supporting records to show the campaign's compliance with campaign finance reporting requirements, including proper reporting of un-itemized and itemized disclosures. Finally, the campaign records are unable to show that the candidate ever maintained records to support compliance with any of the campaign limits laws, from the cash limits to the aggregate limits for any individual or any other type of donor during or after the election.

There was one exception, namely, one photocopy of a contribution check. This check, from Seth Oakes for \$1,000, was written on July 12, 2024, and likely counter-deposited into the

campaign account on the same day. (The campaign account shows a deposit on that day for \$1,000). The contribution was reported as an itemized contribution using the same day, and the contributor's data matched the provided check.

The only other records, in addition to the one check, were the candidate's submitted disclosures and the submitted 5-page candidate listing. The 5-page listing was described earlier in this report. The campaign disclosures made to the Registry related to the 2021 Year-End Supplemental are the three filings as follows:

- The original disclosure was filed on January 31, 2022.
- The amended disclosure filed on February 10, 2022, is the basis for the audit.
- The amended disclosure filed on April 15, 2022

These listings are not supporting records in and of themselves; they require additional records. The disclosures serve as the basis for the audit and also guide the auditor on what to expect. It also indicates a high likelihood that records may exist to support the disclosure. Similarly, the 5-page contribution listing provided with the bank statement (regardless of its original purpose in it being prepared by the campaign) serves the same purpose as the disclosures. The other records needed, for example, are the checks received (like the one provided). All check contributions should be supported by a copy of the contribution check, and online contributions by online vendor reports. Then, additional records show how those reconcile to the bank account deposit, showing that the funds were received and held adequately until disbursed as required by statute. This could include deposit receipts and other bank deposit detail records. Although for cash contributions, the main record could be a candidate listing, there would still need to be an additional supporting record in the form of a deposit receipt or bank records showing the equivalent amounts being deposited into the campaign account. In the case of in-kind contributions or campaign expenses paid by the candidate and reported as loans and itemized expenses (as the auditor suspects occurred and noted in Finding 2), other supporting records are needed, such as the candidate's personal bank records (canceled checks and bank statements) and the paid invoices showing payment data sufficient to support the source of payment was the candidate or the person reported as giving the in-kind contribution. The campaign provided none of these types of records; as such, the candidate listing and disclosures are of little to no use for verifying compliance.

Candidate responsibility

The Director of Audit determined that, for this audit, it was essential to re-emphasize data related to the candidate and their responsibility. As noted in every audit since 2006 in the opening letter, including this one, "*The candidate is responsible for complying with campaign finance laws and ensuring the accuracy of campaign financial disclosures, as outlined in statute.*" The campaign finance statutes support this statement in various sections. One of which includes the obtaining, maintaining, and retention of records as noted in T.C.A. §2-10-105(f) and related to audit records in T.C.A. §2-10-212(c). The statutes consistently address the candidate as being responsible for all activity related to campaign finance and campaign limits. It's emphasized when it addresses the actions and penalties that can be assessed against the candidate. The statute does **not** delegate those penalties to other campaign staff, hire vendors, or other campaign actors when deferred by the candidate to such individuals or entities. It is precisely for these reasons that the

audit notes Judge Clarence Pridemore Jr. was non-compliant, as the candidate. The candidate is ultimately responsible for compliance with both the statute and for providing records for the audit.

The Director of Audit and other staff of the Registry of Election Finance are tasked and available to assist the candidate in maintaining compliance. They can give guidance on maintaining, obtaining, and providing records. To this end, audit notices (including several for this audit) recommend ways the candidate could replace missing or improperly kept records, such as contacting the banking entities that are required to maintain such records or contacting online services. However, the Registry staff actions do not shift the candidate's responsibilities. Nor is the Registry's staff tasked with regenerating or collecting records on its own to replace those not provided. (See Recommendation to Registry section regarding subpoena records).

It appears that the uncontracted firm, which provided the bank statement and other records, elected on its own volition to assist the candidate (and prior treasurer employee) as best it could with the records it could access. Based on the responses by Judge Clarence Pridemore Jr., the candidate has elected to provide no records, only the amendment of the disclosure back in 2022.

2. Judge Clarence Pridemore Jr. was non-compliant with portions of T.C.A. §§2-10-105 and 2-10-107 by failing to report \$425 in campaign contributions received during the 2021 Year-End Supplemental Campaign Finance Disclosure Statement reporting period.

The campaign bank statements provided by the firm are sufficient to show that the campaign received funds of \$37,210. The records and disclosures are also reconcilable to indicate the campaign received \$425 more during the period than what the campaign reported. Thus, the campaign was non-compliant with the statutes by failing to report \$425 in contributions received during the 2021 year-end reporting period.

Although the bank records show the deposit of \$37,210, the audit determined the actual proper amount was \$37,330. The records show that funds were received by an online service called "Anedot". The Director of Audit is aware of the fee percentage and flat amount charged by this online service and retained from the contributions before the deposit. Since the "Anedot" deposits are separate from other deposits on the bank statement due to their direct deposit nature, the audit can determine that the amount of the fee retained was \$120, thus, the \$37,330 amount. Relatedly, the candidate disclosed contributions of \$37,343.24. Included in the amount is candidate loans totaling \$438.24, which the Director of Audit believes were never deposited. Although the records are insufficient to support the audit opinion in full, the amount and dates of deposit support that it is unlikely to include the \$438.24 amount. The records suggest that they are likely related to two expenses. The two expenses total \$438.24 and are not shown as disbursements from the campaign bank account. This, in the auditor's experience, indicates the candidate paid expenses but not from the campaign account. Thus, the Director of Audit determined the amount that it should reconcile to was \$36,905 (reported contributions excluding loans). The result is the campaign receiving \$37,330 but only reporting \$36,905, a difference of \$425. Thus, it appears the candidate failed to report \$425 in campaign contributions received during the period.

3. Judge Clarence Pridemore Jr. demonstrated effective non-compliance with T.C.A. §2-10-107(a)(2)(A)(i) by failing to itemize \$15,950 in campaign contributions from contributors who contributed in excess of \$100 during the 2021 Year-End Supplemental reporting period before the audit notice.

Notwithstanding the lack of records, the candidate's actions after the audit notice indicate non-compliance with the original disclosures that were the subject of the audit. The original disclosures indicate un-itemized contributions of \$16,050 and total contributions of \$36,905. After the audit notice, the candidate amended the report to show no un-itemized contributions, but the total contribution was still \$36,905. This implies that the new itemized contributions were the prior un-itemized contributions. A review of those changes, and solely based on the candidate's disclosures, shows that of the \$16,050 reported initially as un-itemized, only \$100 could have been properly un-itemized. The twenty new entries, except for the one for exactly \$100, range from \$250 to \$1,600. These entries are mostly reported as received on November 4, 2021. Assuming the entries would be proper if supported, the disclosure indicates the candidate failed to itemize \$15,950 in contributions received during the 2021 Year-End Supplemental as reported on February 10, 2022, and before the audit notice, in non-compliance with statute. It also appears that the disclosure did not at all consider the \$100 contribution reporting limit during the period for un-itemized disclosures.

Possible candidate corrective actions because of the audit notice

Again, assuming the entries are proper after amendment, it appears that before the audit testing and audit report were performed, the candidate elected to take corrective actions to itemize all the improper entries on April 15, 2022. Whether those actions were taken as a direct result of the audit notice or other circumstances could not be determined.

RECOMMENDATION TO CANDIDATE

As noted, the audit cannot determine the proper disclosures due to the lack of records. Additionally, the candidate has already amended the disclosures to itemize all contributions. Thus, there is no recommendation the audit can make related to the current disclosures. The Director of Audit is aware that the campaign filing account was closed. Thus, the campaign is showing a zero-ending balance. The Director of Audit is also aware, based on the candidate's statement and other information, that it is unlikely the candidate will run for office in Tennessee again; however, the Director will make the following recommendation if a future office is sought.

Future elections (if applicable)

The candidate should become re-familiarized with Tennessee Campaign Finance Laws relating to campaign finance and contribution limits, and ensure that all necessary information is provided to all those who collect on the campaign's behalf. In addition, the candidate and those doing the reporting need to understand the difference in supporting contributions received, reporting requirements, and campaign limits. Those differences are as follows:

- All contributions, regardless of amount, must be supported by records to show who made the contribution and that the funds provided by the contributor were theirs to give. In short, the candidate's campaign records are required by statute to support all contributions by contributors and sources down to the penny (generally, this will be by transaction).
- Campaign reporting is in two segments. The first reporting requirement is by disclosure statement periods. Then, based on the contribution amounts, contributors who give more than \$100 in aggregate during a period are detailed disclosed (itemized), and those who give \$100 or less in aggregate during the period can be (un-itemized) up to the cap.

Statutory Change: Members and candidates need to be aware that in 2023, the un-itemized contribution reporting was capped. In all reporting periods starting with the 2023 Mid-Year, the maximum amount a candidate can report in the un-itemized contribution is \$2,000. If the candidate has more than that amount in contributions from those who give \$100 or less in aggregate during the period, a selection of what contributions will be reported as un-itemized and itemized is required. Due to this change and changes in contribution audits, the Director of Audit recommends that most candidates itemize all contributions and reserve the un-itemized contribution reporting to individuals who give less than \$100 during the period and prefer not to disclose their information on a public disclosure.

The candidate should maintain contributor data for all campaign contributions received and reconcile the campaign bank and other campaign records to the campaign disclosures to ensure all disclosures are complete, accurate, and adequately supported by the campaign records.

In situations where the candidate will use individual or online services to collect funds on the campaign's behalf, that makes them agents of the campaign; the candidate needs to make sure those individuals or online services can provide sufficient data to identify the contributor and that they are contributing funds they have the right to contribute. Additionally, the service needs to be able to identify the exact date the funds were received and the total amount obtained, as that is the statutorily required date and amount to report. Related, any deduction from the amount for fees or cost of goods sold (t-shirts or any other item) by online services should be reported as campaign expenses.

DIRECTOR OF AUDIT RECOMMENDATIONS TO ALL CANDIDATES

The following are continued recommendations for the benefit of all candidates in future or current elections. The section is currently being reported in all audit reports where the campaign (candidate) failed to provide a listing of the reported un-itemized contributions, and the audit results include a finding of a lack of sufficient records.

Candidate responsibility

The Director of Audit notes again from the opening letter, “The candidate is responsible for complying with campaign finance laws and ensuring the accuracy of campaign financial disclosures, as outlined in statute.” The candidate is ultimately responsible for compliance with both the statute and for providing records for the audit. Thus, if they elect to delegate to others those responsibilities, they must ensure direct oversight to ensure that disclosures are correctly made, and all records are properly maintained and accessible to the candidate. The Director of Audit noted that, to this end, the candidate should review every disclosure made by the campaign. The campaign disclosures and bank statements should be reconciled and reviewed by the candidate. The Director of Audit also recommends that after each reporting period, the records used to prepare the report and support each entry be gathered and maintained together as part of the reconciliation process.

Un-itemized contribution campaign records

Over the last several years, the Director of Audit has noted an alarming trend in un-itemized documentation by candidates, which appears likely in part to be the cause of the statutory changes noted that occurred in 2023, which include a cap on un-itemized contributions and the removal of un-itemized expense reporting. Although the statutory changes could improve those issues, another similar issue may occur due to the procedural process set up by the Registry to simplify online reporting. The issue is that candidates are not maintaining lists of consolidated entries to show how those entries were prepared for the disclosures. Examples of consolidated entries are un-itemized contributions and un-itemized expenses. Although un-itemized expense reporting was eliminated, there are still consolidated entries with un-itemized contributions (as they are only capped at \$2,000 per reporting period). Also, the Registry policy allows consolidated itemized expenses by permitting candidates to report all payments to a single vendor for the same purpose in a single entry each period to lower data entry requirements. One example of such a consolidated expense entry noted in this audit report is the fees for online collections. The Registry allows a consolidation of the fees in one entry each period, such that extremely small and numerous entries are not required for each expense. Candidates, however, should be maintaining records (such as a vendor's report listing) to show what fees related to the contribution reported are being disclosed.

The statutes do not direct how a candidate maintains campaign records; the statutes only direct that records should be sufficient to support the disclosures made. The Director of Audit, when giving advice, has constantly recommended to candidates that they keep a list of un-itemized contributions they are reporting each period by name and amount (and, more preferably, when those amounts were deposited into the campaign account for audit purposes). Thus, the Director of Audit again recommends this, and every candidate should keep a list of what is reported in un-itemized contributions and any other consolidated entries related to expenses or contributions.

RECOMMENDATION TO REGISTRY

As noted by the audit report and re-emphasized here, the Director of Audit notes additional records may exist that could be made available by the candidate and treasurer's actions, or interviews, or through the subpoena process to those individuals and the bank entity that held the

campaign account. In his opinion, the Director of Audit states that such additional records would not change the fundamental basis of the report as written regarding the non-compliance and campaign failure to maintain proper records during the election.

It is more likely that such records would support the names already disclosed, but could indicate additional areas of non-compliance. An example in this audit is that the Director of Audit specifically noted the bank account, indicating several mixed deposits, indicating cash received. The auditor then noted that most contributions reported were in amounts that would exceed cash limits. However, the records were insufficient to confirm that cash was received at all. Thus, upon the report release, the Director of Audit **does not** recommend the issuance of a subpoena to the bank except in the instance the Members of the Registry want to take direct action on possible cash contribution non-compliance related to the limits law. Instead, the Director of Audit requests and recommends that the Registry approve the audit as sufficient and complete for their purposes. The Director of Audit also recommends that the Registry Members consider the findings for further action at their discretion.

Finally, the Director of Audit recommends that the Registry post the audit report to its website regardless of whether a significant penalty is assessed, as outlined in T.C.A. §2-10-212(f). The report and related findings will assist current and future candidates in understanding the audit process, the purposes of Registry rules, and the types of procedures needed to comply with campaign finance laws.

RESOLUTIONS

CANDIDATE’S CORRECTIVE ACTIONS

As noted in the recommendation, there is no current correction the Director of Audit can recommend to the candidate for the reported disclosures. No candidate corrective actions were thus requested as part of the audit process.

REGISTRY OF ELECTION FINANCE ACTIONS

The Registry of Election Finance Members will review Judge Clarence Pridemore Jr.’s 2021 Contribution Audit during its bi-monthly meeting on January 22, 2026. The meeting minutes will document the members' approval, additional items reviewed, and any subsequent actions.